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TAGS: [AORC](#) [IAEA](#) [IR](#) [KNNP](#)  
SUBJECT: SUBJECT: POSSIBLE IRAN SCENARIOS LEADING UP TO  
SEPTEMBER 11 BOG

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Summary  
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¶1. (C) There are three possible Iranian responses to both the EU3 "package" and UNSCR 1696: accept the package and comply with the resolution (highly unlikely), reject the package and the resolution outright (unlikely), or express a willingness to negotiate the package "without preconditions", i.e., without complying with the resolution (most likely). Based on past practice and senior Iranian officials' public comments, we expect the Iranians to try to buy time and minimize support for a UNSC sanctions resolution by proposing to discuss the package, while continuing their enrichment activities. At the same time, we expect the Iranians to continue effort to degrade the IAEA's verification capabilities by limiting inspector visas and access to facilities. Under these circumstances, we would envision a hard-hitting DG report on August 31, as well as tough national statements at the September Board. End Summary.

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Scenario I: Accept the Package, Comply With UNSCR 1696  
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¶2. (C) Based on senior Iranian leaders' public comments, this scenario is highly unlikely; however, if Iran agreed to suspend prior to August 31, the Secretariat would not have sufficient time to fully verify the suspension in time for the report to the UNSC, as the process could take two weeks or more to consolidate and account for the large quantities of centrifuge-related materials, production equipment, and components. Under this scenario, the Secretariat would continue pressing Iran to implement the additional protocol and clarify outstanding questions, while the Board would issue a resolution welcoming Iran's actions and calling for early clarification of Iran's nuclear activities.

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Scenario II: Reject the Package and the Resolution  
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¶3. (C) Iran could, as it did in August 2005, reject the entire EU3 package and announce it will continue its full nuclear program. Iran would also likely continue efforts to degrade the Agency's verification capabilities by blackballing inspectors and limiting the frequency of visits to facilities. The Iranians undoubtedly would not cooperate on any outstanding questions. Under this scenario, the IAEA would undoubtedly issue a hard-hitting report on August 31, but the BOG would likely resist terminating technical cooperation with Iran at the September Board without a UNSC sanctions resolution.

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Scenario III: Offer To Discuss Package--Without Suspension  
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¶4. (C) In an effort to buy more time and limit support for a UNSC sanctions resolution, Iran most likely will offer to discuss elements of the package, but would reiterate its rights to peaceful nuclear uses and its intent to continue enrichment "R&D." Iran probably would also threaten again to withdraw from the NPT if sanctions are imposed, while continuing to whittle away at IAEA accesses. To establish new facts on the ground and increase its leverage in negotiations, Iran could soon announce that a second 164-centrifuge cascade is operational. Under this scenario, we would expect the DG to report that Iran has not complied with the terms of UNSCR 1696, although the BOG probably would not be in a position to take any action pending UNSC action. UNVIE would encourage member states to make strong national statements condemning Iran's continued intransigence, while emphasizing the need for continued UNSC involvement to bolster the IAEA's efforts.

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Strategy for the September Board  
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¶5. (C) Assuming Scenario III, the main focus for USG efforts will likely be in New York seeking early agreement on a sanctions resolution. We would thus at this point recommend against seeking any specific decisions at the September meeting of the Board of Governors, due to start on September ¶11. Rather, our objective in Vienna should be to maximize international support for action in New York. We can do this by using the DG's report to highlight Iran's failure to comply with UNSCR 1696 and cooperate with the IAEA; by encouraging strong statements of concern by key Security

Council countries, such as Russia and China, by influential NAM countries, such as India, South Africa, and Brazil, and by "like-minded countries," such as Japan, who are concerned about the impact of sanctions; and, by contributing to our overall public diplomacy on Iran. We will need to be on the alert for any effort, at the Board or the subsequent General Conference, to undermine our efforts in New York.

¶6. (C) As we prepare for the Board, we should be conscious not only of likely Security Council deliberations but also of other events scheduled for the same timeframe. The NAM Summit, at which Cuba assumes the NAM chair, will be taking place in Havana during the same week as the Board. The NAM Summit will presumably receive much international attention, given questions about the health and future of Fidel Castro. We could imagine Iran trying to hijack this Summit, as it hijacked a previous Ministerial NAM meeting in Kuala Lumpur, to seek support for its nuclear program. In addition, UNGA convenes during the second day of the Board meeting. President Ahmadi-Nejad's speech at last year's UNGA played a key role in heightening international concerns about Iran and its nuclear program. We solicit the Department's insights as to whether and when he is to speak this year.

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